



Charles D. Baker, Governor
Karyn E. Polito, Lieutenant Governor
Stephanie Pollack, MassDOT Secretary & CEO
Frank DePaola, General Manager
Brian Shortsleeve, Chief Administrator



Fiscal and Management Control Board

February 29, 2016
10 Park Plaza
Conference Room 1,2,3 – 2nd Floor
Boston, MA

MEETING MINUTES

Members: Chairman Joseph Aiello, Director Lisa Calise, Director Brian Lang, Director Steven Poftak, and Director Monica Tibbits-Nutt

Present: Chairman Joseph Aiello, Director Steven Poftak, Director Lisa Calise (at 12:30 p.m.) and Director Monica Tibbits-Nutt

Quorum Present: Yes

Others Present: Secretary Stephanie Pollack (at 12:35 p.m.), Frank DePaola, Brian Shortsleeve, John Englander, Owen Kane, Charles Planck, Jeff Gonneville, Marie Breen, Laurel Paget-Seekins

PROCEEDINGS:

At the call of the Chair, a meeting of the Fiscal and Management Control Board was called to order at 12:05 p.m. at the State Transportation Building, Conference Rooms 1, 2 and 3 on the 2nd Floor, Boston, Massachusetts.

Chair Aiello opened up the public comment period. The following members of the public spoke.

Mo Handel, Needham, opposes fare increase beyond 5%.

Eileen McAnneny, Fix Our T Coalition, appreciates efforts of Control Board, stay the course in the upcoming weeks, and address capital needs.

Mayor Dolan of Melrose, Fix Our T Coalition, supports the Fiscal and Management Control Board efforts.

John Pourbaix, Executive Director, Construction Industries, and on behalf of CIM, supports the fare increase.

David Aronstein, Director for the Alliance for Community Health, limit fare increase to no more than 5%.

Holli Childs, Boston Alliance for Community Health, opposes fare increase.

Steven A. Kaiser, Citizen Engineer spoke about improving service.

Craig Kelley, Cambridge City Councilor, opposes fare increase.

Peter Forman, President of the South Shore Chamber of Commerce and member of the Fix Our T Coalition, take whatever action is necessary to fix the T.

Jeanne Cronin, Mass Senior Action Council opposes fare increase

Dan Cahill, Lynn City Councilor, opposes fare increase.

Michelle Cicollo, Lexington selectman, opposes fare increase higher than 5%.

Vivian Ortiz, spoke about public process, and opposes fare increase

Sebastian Zapata, Program Director for the Alliance for Business Leadership, opposes fare increase and asked that the MBTA abide by modest regular increases of 5% every two years as outlined in the 2013 transportation package.

Jonathan King, Vice President of the Cambridge Residents' Alliance and Chair of the Public Transit Committee opposes fare increase.

Clark Taylor, Social Action Committee of a UU church in Needham, opposes fare increase higher than 5%.

Cecillia Acuff, Southern Jamaica Plain Health Center, opposes fare increase.

Tom Ryan, A Better City, supports a capped two-year interval schedule for fare increases.

Andy Moxley, of Socialist Alternative, opposes fare increase.

Jeff Purser, ACE, opposes fare increase

Manny DeBarros, ACE/TRU, opposes fare increase

Lee Matsueda, ACE/TRU, opposes fare increase

Tyree Ware, ACE/TRU, opposes fare increase

Carolyn Casey, ACE/TRU, opposes fare increase

Louise Baxter, opposes fare increase

Elan Axelbank, Socialist Alternative, no cuts and opposes fare increase.

Sue Harden, Alternatives for Community and the Environment, opposes fare increase.

Beverly Strauss, opposes fare increase of more than 5%.

Mike Stanley, CEO of Transit X, spoke of options to Mass transit.

Susan Ringler, Cambridge, supports late night service.

Kim Situ, Chinese Progressive Association, no service cuts and no fare increases.

David Senatillaka of Malden, in support of late night service.

Tony Dutzik, Senior Policy Analyst, Frontier Group, opposes fare increase over 5%.

Lauren Aragon, opposes fare increase over 5%.

Abby Tucker, Cambridge, opposes fare increase.

Next, after motion duly made and seconded.

By roll call:

Chair Aiello Yes

Director Poftak Yes

Director Tibbits-Nutt Yes

Director Calise Yes

VOTED: to enter into Executive Session at 1:20 p.m. to discuss strategy related to potential litigation..

Chair Aiello, called the meeting back to order at 2:01 after returning from Executive Session.

PROCEDURAL:

Next was the approval of the January 20, 2016 minutes.

On motion duly made and seconded, it was:

VOTED: to approve the minutes of January 20, 2016.

Next, Chair Aiello asked General Manager Frank DePaola to give his General Manager's report, Agenda Item E. Mr. DePaola updated the Board on progress relating to the look-back on the Green Line Extension. Mr. DePaola informed the Board that a schedule of five public meetings/workshops have been scheduled and published allowing information sharing with communities with sketch-level changes to the design and to solicit public input.

Next, Mr. DePaola briefly updated the Board on the Green Line Extension sunk-cost analysis/summary and referred to an action later in the agenda.

Next, Mr. Shortsleeve presented Item F, the Chief Administrator's report covering financial performance of the MBTA and a preview of the FY17 Operating Budget as set forth in the attached presentation entitled "Operations Budget Stability, Committee Report to FMCB, FY17 Operating Budget Preview". Chair Aiello commented that the FY16 performance to date was remarkable and applauded Administrator and his staff for all their efforts.

Next, Charles Planck presented Item G, as set forth in the attached presentation entitled "MBTA Late Night Service, Proposed Service Changes". Mr. Planck gave a brief history of the Late Night Service. The service was provided from 2001 to 2005 and called Night Owl Service; it was a bus-only service with a ridership of approximately 3,000 people a night. Night Owl Service was cancelled due to budget constraints. The MBTA launched Late Night Service as a pilot in March of 2015. This Late Night service was substantially different from Night-Owl service as it focused on the key bus routes,

available only on Friday and Saturday nights for about two hours after normal closing, and included rail service. In summer of 2015, after reviewing ridership levels and ridership patterns on the Late Night Pilot Service, the MBTA slightly modified the service bringing the end of service time back 30 minutes into the evening and eliminated the five least used late night bus routes.

The current Late Night Service started averaging about 16,000 per night over the 120-minute period then proceeded to decline to a current stable number of about 13,000 passengers per night or trips per night.

Mr. Planck continued that at the directive of the Board in December 2015, the MBTA went out and sought public input on the potential elimination of late night service. There were 3 public meetings with approximately 80 people attending in total, and 270 comments submitted.

Next, Mr. Planck explained that when the MBTA makes a major service change or a major fare change, the FTA requires the MBTA to perform an equity analysis. The MBTA has been in conversation with the FTA on the question of the applications of that requirement to this service. The MBTA believes that eliminating late night service does not constitute a major service change under our policy; also, as this is a pilot program operating only two nights a week, that requirement does not apply. The MBTA remains in discussion with the FTA and the Board will be updated if anything further materializes, however, the MBTA is prepared to formulate whatever analysis that maybe necessary.

At the end of Mr. Planck's presentation, the Board was asked to vote on three options. The first would be to cancel the Late Night Service Pilot, effective March, 2016. The second alternative would be to continue the Late Night Service Pilot with or without some modifications to the service that is provided. The third option would be to cancel the current Late Night Service Pilot but to direct staff to continue to work with respondents to the Late Night Service RFI which examined some potential market opportunities with existing bus providers in the region to see if some form of a privatized or less-subsidized alternative could be developed that met some of the mobility goals of the Late Night Service Pilot.

On motion duly made and seconded, it was **VOTED**:

WHEREAS, the Fiscal and Management Control Board (the "FMCB") has determined that the Authority's Late Night Service Pilot Program, which began on March 28, 2014, is not cost effective; and

WHEREAS, the FMCB has determined that the termination of the Late Night Service Pilot Program will allow greater opportunities for the evening maintenance of the Authority's vehicles and physical assets; and

WHEREAS, the FMCB has determined that no "equity analysis" is required in connection with this termination, both because the service is a pilot program and because the change does not constitute a major service change;

NOW, THEREFORE, BE IT VOTED by the members of the FMCB, as follows:

The Authority, through the General Manager is hereby authorized to take all steps necessary to terminate the Late Night Service Pilot Program, such termination to be effective no later than March 18, 2016.

Next, Laurel Paget-Seekins presented Item H, Board Discussion of the fare increase proposal. Ms. Paget-Seekins updated the Board on the two options the Board had previously advanced to public comment and discussed some different scenarios between them as set forth in the attached presentation entitled “Fare Options 1 and 2 Comparisons”.

Director Calise asked to be refreshed about fare versus pass increase.

General Counsel John Englander provided an explanation of the legislation as it relates to fare increases. The legislation explicitly prohibits fare increase of more than five percent per annum, in plain terms five percent per annum means ten percent every two years. The Legislation allows a 10% increase. If you interpret that as 10% system wide, which is the way it has historically been interpreted here at the T, then both proposals are under a 10 percent system wide increase, and there would be no question about the issue of passes versus fares. When referring to passes, it is not fares – it is discounts. The price of the pass depends on the per-trip fare and the multiple that you apply to determine how many times you can have that per-trip fare in a particular month or whatever period is chosen. There is nothing in the legislation that limits the FMCB’s authority to change the multiple, even though a higher multiple effectively means a higher price pass – less of a discount. A pass is a discount. For users who opt to pay for a month’s worth of usage at once, there is no restriction on discount levels in the legislation. The only legislative restriction that addresses discount levels is that they have to be addressed in a board-approved

fare policy, and our discount levels are addressed in a board-approved fare policy.

Director Poftak commented that there have been concerns expressed in feedback received and at public sessions about the impact of these fare increases on low-income communities and specifically on students. Mr. Poftak asked if any thought has been given to mitigating those impacts in preparation of a vote on March 7.

Mr. Shortsleeve continued on with the presentation “Fare Options 1 and 2 Comparisons”, going into detail about the different scenarios for the different products offered by the MBTA as it relates to the fare proposal options as specifically illustrated on slides 2,3, and 4.

Chairman Aiello inquired about the feasibility of staggering the fare increase, on July 1st and then an increase on January 1st.

Ms. Paget-Seekins responded that it would be technically difficult – but possible.

Director Calise inquired if the time of the year when the rate increase is effective matter from a technology standpoint other than the lead time for the vendor.

Secretary Pollack commented that the start date of July 1st because it is the start of the fiscal year which gives you the revenue going across all 12 months, but the Board could choose any date as long as there sufficient lead time for programming.

Chairman Aiello asked for a clarification of zones for the commuter rail network. Ms. Paget-Seekins indicated she would pull riders comments together regarding what stations are in what zones.

Secretary Pollack mentioned that she thinks there is a need to take a comprehensive look at the consistency or inconsistency of some of the zone assignments.

Next Brian Kane presented Item I, outlining the proposed agenda items for the upcoming meetings of the Fiscal and Management Control Board as set forth in the attached presentation entitled "Fiscal & Management Control Board Public Meeting Agenda Items".

Next, the Chair introduced Thom Dugan who presented Item J, an update on the capital investment plan as set forth in the attached presentation entitled "Capital Plan Update FMCB Meeting".

Next, the Chair introduced Ed Hunter, Agenda Item K, who requested the Board to authorize the General Manager to enter into four task order agreements with professional services firms for in an amount not to exceed \$8,124,000 for engineering support for ongoing construction services for the Green Line Extension project.

After motion duly made and seconded, it was:

VOTED: To delegate to the General Manager, on behalf of the Massachusetts Bay Transportation Authority, the authority to approve and execute task orders, agreements and any related necessary documents, up to a total aggregate value of \$8,124,000.00, in a form(s) approved by the General Counsel, for the purpose

of engaging professional services related to oversight of the existing Green Line Extension construction contracts.

After motioned duly made and seconded, it was voted to enter into Executive Session.

By roll call:

Chair Aiello	yes
Director Calise	yes
Director Tibbits-Nutt	yes
Director Poftak	yes

VOTED: to enter into Executive Session at 3:37 p.m. to discuss a real estate matter and pending litigation.

DOCUMENTS RELIED ON IN THE MEETING

Late Night Service Proposed Service Changes Presentation
Operations Budget Stability Committee Report to FMCB
FMCB Upcoming Meeting Schedule
Capital Plan Update
Minutes of January 20, 2016